

West Coast Governors' Global Warming Initiative Directions to the Five Working Groups

January 9, 2004

In September 2003, the three West Coast Governors announced a regional initiative to reduce greenhouse gas emissions through strategies that provide economic and environmental benefits. In their announcement, the Governors identified five specific action items that would be the focus of immediate attention and they committed to convening again in September 2004 to receive reports on the progress on these five tasks and the state and regional greenhouse gas reduction strategies.

Subsequently, the staffs helping to implement this initiative met to discuss the best means to fulfill the Governors' commitments. We agreed to establish five working groups to tackle the immediate action assignments. Each state has identified a lead for each group and these leads will coordinate the states' work. The first challenge facing the five working groups is to develop a first draft plan by February 13, 2004.

Below is a template for preparing this draft. It is applicable to all groups. For each action item, we have elaborated on the Governors' intent to clarify it as we understand each issue. The State Coordinators invite feedback from the working groups on whether the elaborations of the commitments reflect their own understanding of the issues.

The primary task of each group is to accomplish the intent of the September announcement, but the working groups should not let this limit their creativity or eliminate opportunities for additional efforts. A sixth working group will be established to address longer-term actions. The five workgroups can forward any ideas not incorporated in their initial implementation plans to this group via the State Coordinators and the Interstate Executive Committee.

In addition, if participants identify ideas or recommendations on other approaches, they should present them to the State Coordinators and Interstate Executive Committee for consideration. The Steering Team will decide which recommendations to advance to the three Governors.

Working Group Reporting Template

Sample Commitment Statement: Use the states' combined purchasing power to obtain fuel-efficient vehicles and low-rolling resistant tires for motor pool fleets.

Background: Provide a brief synopsis of the measure. Briefly describe what has been done already, and what is being proposed. Why is the commitment important to the three states in addressing global warming? What supporting analysis or data exist to support this measure? Is the commitment the subject of current state policy, legislation or executive direction? Is this a significant policy change?

Options: Discuss various approaches being considered or under development to address the commitment. For example, options in the area of fleet procurement might include:

- Uniform specifications for the purchase of hybrid vehicles
- Minimum emission standards for state vehicle purchases
- A commitment to purchase “best in class” vehicles, based on their fuel economy or emission rating

Pro's and Con's of each Option described above. For example, what is the potential benefit of this option (e.g. state leadership by example; potential reduction in greenhouse gas emissions may be significant; potential economic or job benefit). How easy would it be to implement the option? Are the costs reasonable? Are there negative environmental, economic or social impacts?

Regional Approach: Do the three States agree on these proposed approaches or options, and if not, where do they differ?

Political considerations: Is there any controversy associated with this measure? Who are the stakeholders? What are their positions on the proposed measure? How would the working group include them in its work? Has this measure been the subject of media or press attention?

Fiscal or Legislative Implications: In general terms, what is the cost to the State to implement the proposed measure(s)? What are the budgetary, regulatory or legislative implications? What is the expected length of time needed to implement the proposal (i.e. is it short or long-term)?

Possible Recommended Actions: What actions by the three Governors would the Working Group suggest: Issue an Executive Order with administrative direction to state agencies? Secure funding from the Legislatures for a given budgetary proposal? Propose state legislation? Seek the support of the private sector or other governments to address this commitment? Seek federal legislation or rule changes?

Length: The plan should be no longer than five pages. Bullets and tables are fine.

Timing: February 13, 2004, is the deadline for the first drafts of the issue papers from each of the five working groups. Please submit your drafts to the State Coordinators: Susan Brown (CA), Carol Jolly (WA), and Sam Sadler (OR).

WORKING GROUP 1 – *Use the states' combined purchasing power to obtain fuel-efficient vehicles and low-rolling resistance tires for motor pool fleets. For example, the states are already working on a uniform specification for the purchase of hybrid vehicles.*

This working group could assess such options as the establishment of a three-state Green Fleet Policy with numerical or percentage emission reduction targets, multi-year vehicle purchase contracts, the phase-out of SUV purchases except in limited circumstances, modifications in procurement specifications to give bonus points to high fuel-efficiency vehicles, and modifications of state contracts with rental car companies to ensure that hybrid vehicles are available. Another option for consideration is amendment of the federal Energy Policy Act of 1992 concerning alternative fuels, which excludes hybrid vehicles as an allowable mechanism. With respect to low-

rolling resistance tires, OR and WA groups need to consider how they might take advantage of CA's new statute.

WORKING GROUP 2 – Reduce emissions from diesel fuel in transportation through reductions in the use of diesel generators in ships at west coast ports and in the use of diesel engines in trucks by creating a system of emission-free truck stops along the I-5 corridor that stretches from Canada to Mexico.

This working group will assess the prospects for having ships use shore-side power in place of diesel generators. With respect to truck emissions, the group will assess anti-idling policies and truck stops with the capacity for plug-ins.

WORKING GROUP 3 – Remove barriers to and encourage the development of renewable electricity generation resources and technologies.

This working group will address each renewable resource and focus on critical path issues for multiple renewable resources such as transmission access and interconnection. It will also consider how to provide for reporting of renewable energy production data to the states. It will address federal issues, such as Federal Energy Regulatory Commission policies and production tax credit legislation, and specific regional institutional issues, such as the Bonneville Power Administration policies, which are relevant to Oregon and Washington. It will consider the economic development benefit of renewable technologies and how to attract renewable resource companies to the west coast. In addition to power generation, it will consider bio-fuels.

WORKING GROUP 4 – Improve efficiency standards with the potential to reduce greenhouse gas emissions. Specifically, the states could work together to upgrade appliance efficiency standards and seek waivers of federal limitations where necessary.

This working group will look at potential new standards for appliances that are not pre-empted by federal standards, based on the groundwork that California has already laid. It will also support California efforts to achieve federal waivers for new standards where necessary and to support Oregon and Washington efforts to receive the same waivers. It will combine efforts to prevent the adoption of federal “no-standard” standards. It will identify which standards are best implemented through appliances that are sold in stores and which are best implemented through code changes. California already has an enforcement infrastructure for state standards for residential appliances that are sold through stores; Washington and Oregon will coordinate with California in developing a proposal for their states for enforcement infrastructure for any new residential appliance standards. Finally, the states will cooperate to actively defend any new standards that they propose.

WORKING GROUP 5 - Develop consistent and coordinated greenhouse gas emission inventories, protocols for standard reporting, and accounting methods for greenhouse gas emissions; and collaborate on improved scientific tools to more precisely measure the impact of climate change.

The working group will address specific inventory and accounting issues, such as how to characterize the carbon content of the electricity mix; how to account for materials use and recycling; how to account for transportation fuels, including alternative fuels, ethanol blends, bunker fuels, aviation fuels, and nitrous oxide emissions from vehicles; what inventory and forecasting tools the states will use; how to account for sequestration of carbon in biomass; and, special industry accounting issues, such as cement, aluminum manufacturing, and petroleum refineries. The working group will also identify scientific research needs that can help address state and regional policy development.